

REPORT OF THE HUMAN CAPITAL AND REMUNERATION COMMITTEE

The Human Capital and Remuneration Committee (HCRC) is a sub-committee of the Board of Trustees. The primary purpose of the HCRC is to review, consider and make recommendations to the Board on the human capital policies, procedures and structures which regulate the relationship between the NEF as the employer and its staff. The committee sees its role as influencing and supporting the Human Capital Management Strategy of the NEF as well as overseeing and monitoring the level and remuneration structure of executives and staff to ensure that the organisation's employees are fairly rewarded for their individual contributions to the organisation's overall performance. This is delivered within the mandate of its Charter as approved by the Board of Trustees and in accordance with the NEF's Delegation of Authority.

The year under review was fulfilling, rewarding and challenging with several initiatives already concluded or still underway.

The committee enjoys membership of representatives that bring a broad range of expertise and experience in human resources and other related fields, who are appointed by the Board on the recommendation of the executive and the committee.

Successes and highlights

During the year, the HCRC oversaw a restructuring of the organisation to accommodate organisational growth and enhance compliance and segregation of duties. Two new divisional executive positions were created: SME and Rural Development; and Venture Capital and Corporate Finance, which replaced what was previously the Chief Investment Officer.

Another important highlight was the successful launch and roll-out of the Values and Culture programme which was initiated during the year. This roll-out process started with the Executive reviewing NEF values, agreeing on the organisational culture that leads to success and defining the descriptions of those values. Employees at all levels were engaged in developing and internalising the NEF values in their work practices.

People costs make up more than 50% of the NEF's overheads, indicating the important role that human capital plays in the organisation. Consequently, the HCRC placed particular emphasis on strategies for attracting and retaining high calibre staff, an emphasis that will continue to be a key focus area in the future. It was pleasing to see positive results in this regard, evidenced by the low staff turnover of 9% and the accelerated recruitment of 52 new staff members which enabled the organisation to grow and expand its activities and 15 employees were recognised and rewarded for long service.

At the same time the NEF has:

- Developed succession plans for critical positions in the organisation
- Made significant progress in building core competencies and skills
- Continued staff support through the employee wellness programme



Ms Avril Halstead

Chairman of the Human Capital and Remuneration Committee

Competition for talent remains a challenge within the financial sector and in line with the NEF objectives of seeking to attract and retain high calibre staff members, the NEF provides employees with rewarding career opportunities, and seeks to remunerate them in line with market trends and norms. The HCRC reviewed the remuneration and bonuses paid to all non-executive staff to ensure that the approved remuneration principles were adhered to.

The reduced number of resignations and high number of new recruits attests to the success of this objective. The NEF's focus on developing high potential talent extends beyond its own staff members. The financial year also saw the successful implementation of the Joint Initiative on Priority Skills Acquisition (JIPSA) Junior Management Development Programme (JMDDP) where 58 junior managers from five priority sectors were sent to France for six weeks - two weeks at a business school and a further four weeks in an internship with a French organisation. This programme, sponsored by the NEF and the Agence Française de Développement (AFD) was designed to enhance leadership knowledge and skills.

The NEF's recruitment policy supports the principles and spirit of the Employment Equity Act and the organisation prides itself on having an employment profile that is closely linked to the country's demographic profile. The committee continued to provide oversight of staff composition and its alignment with the country's gender profile, where 58% of the NEF's employees are female.

Twenty Human Resource policies were reviewed and approved in order to improve operations and efficiencies. 🏡